MEMORANDUM

SUBJECT: Effects of Section 515 of the Foreign Assistance Legislation as Proposed by the Senate Foreign Relations Committee

- 1. As presently constituted, Section 515 will require specific congressional authorization <u>before</u> funds from any U.S. Government agency could be used to finance any <u>military</u> operations by <u>foreign</u> forces in Laos, North Vietnam or Thailand outside the bounds of the country of the government receiving such funds.
- Should specific authorization not be obtained -- or was delayed -- it would mean that Thai volunteers could not be This would have an immediate impact on the status used in Laos. of Laos as an independent state. Laos serves as a buffer between Thailand and the North Vietnamese. However, since 1970 Laos has had to rely on Thai assistance to prevent the North Vietnamese from exerting military pressure on the government of Laos and forcing it to resign or capitulate to North Vietnamese demands. The focal point of this assistance has been the defense line in the mountainous area just north of the Laos capital of Vientiane. During the past two years the Thai irregulars have provided the majority and the best of the defensive forces available to the government of Laos Approved For Release 2001/11/16: CIA-RDP74B00415R000600080014-9

to resist North Vietnamese enemy attacks in north Laos.

- 3. Without this continued support by Thai irregulars, it is almost certain that the Laos will not be able to prevent virtual North Vietnamese control of their government and the remainder of their country. The result would be the free use of all of south Laos by the North Vietnamese to move men and supplies into South Vietnam and Cambodia. It would also place the North Vietnamese armies on the Thai border, greatly facilitating support to the Communist insurgents in Thailand. It would place the Thai government in direct confrontation with North Vietnamese military forces and undoubtedly result in the Thais calling upon the United States to come to their assistance under existing defense commitments by the United States.
- 4. Clearly this is a situation to be avoided if possible. The continued employment of Thai irregulars in Laos supports the neutralist government in Laos of Souvanna Phouma, thus retaining Laos as a buffer between Thailand and North Vietnam at minimum expense to the United States and without United States involvement. The use of Thai irregulars also permits "unofficial" Thai involvement, without the direct confrontation with North Vietnam that Regular Thai Army forces would entail, and without the international repercussions that public Thai avowal and support to Laos would cause. The Thais have insisted on keeping arrangements for their presence in Laos discreet for these reasons. The present method of U.S. Approved For Release 2001/11/16: CIA-RDP74B00415R000600080014-9

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support to Thai irregulars in Laos should continue as in the past in order to ensure the continued availability of Thai irregulars for immediate commitment to meet North Vietnamese attacks in Laos where and as they occur, and to facilitate a minimum of publicity about the Thai role in Laos.

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OLC	_		·	To 2: Attached per your request	
3.				is an unclassified argument for possible use on the Senate floor against the amended Section 515 of the Foreign Assistance Act. I presume you will wish to clear this with the Executive Director	
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